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MASS, EINV
SUBJECT: MEDVEDEV'S EASY TRIP TO KAZAKHSTAN

REF: MOSCOW 1425

Classified By: Political Minister Counselor Alice G. Wells for reasons
1.4 (b) and (d).

11. (C) Summary: Russian MFA officials and experts termed Dmitriy Medvedev's May 22-23 visit to Kazakhstan--his first foreign trip as President--a success and his meeting with Kazakh President Nazarbayev "easy." Russian experts told us Medvedev's trip served to strengthen Russia's ties with Central Asia and show the West that it has friends in the East. Medvedev proclaimed his desire to continue where Putin left off by reinforcing Russia's cooperation with Kazakhstan and Central Asia, with a host of mostly symbolic agreements reached. The two leaders signed documents that increased cooperation in areas such as space exploration, development and use of the GLONASS satellite navigation system, nanotechnology, and joint development projects. They also discussed regional security issues, including Afghanistan, and the possible upgrade of the Volga-Don Canal. End Summary.

Two Hours of Quality Time

12. (C) Medvedev traveled to Astana May 22-23 and met with Nazarbayev for two hours (reftel). The first hour was a one-on-one meeting, while the second hour included Russian Presidential Aide Prikhodko, FM Lavrov, MOD Serdyukov, Energy Minister Shmatko, Minister of Industry and Trade Khristenko, Minister of Regional Development Kozak, other officials, and businessmen. MFA Kazakhstan Desk Second Secretary Vera Khutorskaya called the visit a success, arguing that Russia "got what it wanted:" an "easy" foreign policy launch, a pleasing visual, and some substantive deliverables. The meetings focused on ways Russia and Kazakhstan could increase cooperation, and agreements on space exploration, the GLONASS satellite navigation system, nanotechnology, and joint development projects were signed. Other topics such as regional security and energy were also discussed. Medvedev and Nazarbayev also signed a joint statement that designated the CIS as the main forum for cooperation.

Space Cooperation

13. (U) In a press conference immediately after his meeting with Nazarbayev, Medvedev declared Russia's relations with Kazakhstan "would not be complete" without cooperation in space exploration. To this end, he and Nazarbayev signed the International Agreement for Space Exploration for Peaceful Purposes, which reaffirmed that use of the Baikonur Space Center is beneficial for Russia, Kazakhstan, and other

nations. The two sides agreed to develop a new Angara rocket, which will use "environmentally friendly" fuel (Note: Russia recently paid Kazakhstan USD 2.4 million in compensation after one of its Proton-M rockets crashed and its fuel caused environmental damage in September 2007.), and it was announced that two Kazakh cosmonauts will soon fly into space. Medvedev and Nazarbayev also signed an agreement to cooperate in the development and use of the GLONASS navigation system.

Nanotechnology

14. (U) Also during the visit the General Director of the Russian Nanotechnology Corporation Leonid Melamed and the Chair of the Kazakh-based Kazina Fund Arman Dunayev signed an agreement in Astana that stipulated cooperation in nanotechnology and the development of a nanotechnology industry in Russia and Kazakhstan. At the center of this agreement is a USD 300 million loan from Russia's state-owned Development Bank to the Kazakh Development Bank.

Joint Development

15. (U) MFA officials and Ministry statements highlighted the agreements to undertake joint infrastructure projects, especially in the countries' border regions, where 70 percent of bilateral trade was conducted. Plans include developing a transportation corridor to link Western Europe to Western China via Russia and Kazakhstan and jointly constructing a nuclear energy plant in Kazakhstan. The two sides did also agreed to further cooperation in the energy field and "proceed from economic expediency" in extracting and transporting hydrocarbons.

Regional Security

16. (C) Khutorskaya told us the two leaders discussed the Collective Security Treaty Organization as a tool to promote peace and stability in Afghanistan. Although neither country is interested in sending troops to Afghanistan, according to Khutorskaya, they are willing to assist ISAF, including joint work on a proposed transit agreement to send nonmilitary supplies to Afghanistan. Disputes remain on the classification of transit goods to ensure the supply of nonmilitary items only, Khutorskaya said. Despite statements made by the Kazakh Minister of Defense prior to the visit that the GOKZ was interested in upgrading its air defense systems, no such agreements were signed.

Volga-Don Canal Expansion

17. (U) Medvedev and Nazarbayev diverged on the Volga-Don Canal. While Medvedev made the pitch to upgrade and expand the existing canal, Nazarbayev insisted that expanding the Volga-Don Canal would be expensive and "produce no result." Nazarbayev claimed that the GOKZ-backed Eurasia Canal project would shave about 600 miles off of shipping routes between the Caspian and Black Seas.

The Press and Experts React

18. (C) The press hailed the visit, with the daily Izvestia's banner headline reading "Indestructible Union," evoking the first two words of the old Soviet anthem. Pavel Zolotarev of the U.S.A.-Canada Institute, however, argued the summit was more symbolic than substantive and an easy victory for Medvedev. Andrey Grozin of the CIS Institute agreed, saying most of the documents signed in Astana were agreed to six

months prior to the visit. The experts added that one of Medvedev's goals in traveling eastward to Kazakhstan and China was to show the West that it has friends in other world regions. They said Medvedev was picking up where Putin left off: Putin met with Nazarbayev more than 25 times over the past four years. Traveling to Kazakhstan first was a logical extension of this trend.

19. (C) The experts acknowledged that Russia had to manage Kazakh aspirations for leadership in Central Asia. The Putin era saw the rapid economic and political ascension of Kazakhstan in the region, with Russia cultivating its ties with Kazakhstan. As a result, Khutorskaya posited, the Russia-Kazakhstan relationship had developed into an equal partnership. "Russia is no longer Kazakhstan's older brother," she said.
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